5/6/88

C5150-5

NEWSPAPER

Restaurants turn to home delivery

Focus section follows page 36

Reporting corruption is tough on victims

New York Metro Report/Page 27

...nd ...nu

...14

NR 1
00133900
MS JEANNE LONG
CONGRESSIONAL INFORMATIO 123
4520 EAST-WEST HIGHWAY
BETHESDA MD 20814

Nation's
Restaurant News®

The Weekly Newspaper of the Food-Service Industry

Vol. 22, No. 18 | Published every Monday by Lebhar-Friedman Inc.; $3 a copy, $26.50 a year | May 2, 1988

Hatch aims for filibuster in wage fight

By Deane Evans

WASHINGTON — "Get me five Democrats, and I can beat the Senate minimum-wage bill in filibuster," Utah Republican Orrin Hatch declared at a recent food industry conference.

He warned that barring a drastic turnaround, Congress is poised to boost the wage floor this year.

"You can count on the minimum wage," he said. "It's going to be difficult to defeat it with a filibuster because the Southern Democrats are not with us."

However, he said, if industry lobbyists can influence five conservative Democrats to join Senate minimum-wage increase opponents, they will mount "the finest battle this country has ever seen" and "might defeat minimum-wage legislation for the first time in history."

As currently proposed by Sen. Ed-

(See HATCH, page 92)

Servers ready trays at Illinois' Cook County Jail.

Contractors unlock gates to jail jobs

By Bill Carlino

A dramatic increase in America's prison population is catapulting privately bid correctional food-service contracts from a lucrative sideline to an industry boom approaching $100 million in annual revenues.

"I don't know of one jail, prison, or halfway house that doesn't have an ongoing or planned expansion program to alleviate overcrowding," said Marvin Zitting, coordinator of the American Correctional Food Service Association. "It's basic arithmetic. An increase in prison population translates into a demand for more meals."

According to the American Correctional Association, the prison population in the United States is about 545,000 inmates, an increase of 145,000 since 1982. Federal, state, and county prison feeding costs are approaching $1 billion on a national level.

With the number of prisoners soaring and state and local governments farming out correctional food contracts, private companies are scrambling to enter bids.

A survey presented before

(See PRISON, page 92)

Mövenpick marches into buffets

By Charles Bernstein

HANNOVER, West Germany — Mövenpick, the wide-ranging Zurich, Switzerland-based family restaurant chain, gives separate managers complete authority over four sectors in each of its evolving Marché Restaurant buffets.

Marché, located in shopping malls at Hannover, Dortmund, Düsseldorf, Stuttgart, and West Berlin as well as in Swiss roadside locations, emphasizes the look of an open-air French market.

The Marché operation is complete with a blackboard menu that changes daily and separate counters for meats, pastas, fresh vegetables, soups, cakes, and pastries. It also includes a salad bar, dessert bar, coffee bar, and wine and juice bar.

Lavishly displayed fresh foods and exhibition cooking behind each counter are featured.

But the most unusual aspect of the expanding chain is that each of the four managers operates his own designated department and trains assistant managers who can assume responsibilities in the same buffet restaurant or in another one.

While a director has overall

(See MARCHÉ, page 88)

Rax rolls do-it-yourself sandwich bar

Regional fast feeder tests brunch, mulls drive-thru-only

By Peter J. Romeo and Jeanne Isenberg

COLUMBUS, Ohio — In an attempt to broaden the appeal of its all-you-can-eat lunchtime array, Rax, the regional fast-feeder headquartered here, is adding a station where customers can assemble miniature tuna, chicken salad, and deli-meat sandwiches.

The 535-unit chain is also experimenting with brunch service in half its units here and is preparing to launch tests of a limited-menu, drive-thru-only outlet.

Meanwhile, spurred in part by the drive-thru venture, Rax is shifting its focus back to sandwiches, which were the chain's hallmark until hot foods were added to its salad bar in the mid-1980s.

"We've spent three years looking at our lunch-dinner bar," which today, with some 80 hot and cold items, accounts for more than 30 percent of sales, said Rax president Larry Ritter.

"We run only 35 percent [of sales] through our drive-thrus,"

(See RAX, page 92)

FOOD WATCH

'Marsh rabbit' hops onto scene

SMYRNA, Del. — Just when you thought you'd heard it all in the world of gastronomy, along comes muskrat.

At the Wagon Wheel restaurant along Route 13 here, chef Kitty Budd prepares a local delicacy known as "marsh rabbit," a euphemism for muskrat, with side orders of stewed tomatoes and fried potatoes.

Budd's marsh rabbit preparation method isn't for every chef. She cuts off the heads and tails, skins the muskrat, and soaks the meat in salted water, changing the water three or four times to "draw out the wild taste."

Then Budd parboils the meat with onions and seasoning for approximately one hour, cuts it into serving pieces, and browns them in an iron skillet with sage, salt, and pepper. When done, the meat is dark and stringy and easy to pick off the bone. Budd serves her specialty dish in large casserole dishes—with the lid on. —Ken Frydman

CHARLES BERNSTEIN ON EARRINGS, LONG HAIR, 'NO BRAS' — Page F3

INSIDE NRN

News

Zagats begin pocket guide on US hotels 12
Company plans to open Treats, Schlotzky's unit .. 12
Villa Nova's 'Mr. Lucky' retires at 64 20
Warburton's to open 10 Chicago-area units 20
IFCA honors American Airlines, Sky Chefs 27
Proposal offers tax breaks for meals 34
Dine-O-Mat rolls 5¢ coffee promotion 69
Franchisee plans Portland Tony Roma's units 69
Gary Smith wins '88 NAMP award 69
CRA awards scholarships, honors execs 76
Brock promotes Timko to manager 76
Chili's Grill & Bar holds benefit 76

Focus

Section follows page 36
Cover Story/Gourmet Units: We Deliver F1
Cover Story/Home delivery's precarious game F8
Cover Story/General Mills, IDQ: Jury still out F12
Cover Story/MexiGo expands delivery concept ... F12
Cover Story/Johnny's limits delivery growth F17
Bernstein/Anathema: long hair, earrings, 'no bras' . F3
Rankin/Is the Big Mac nutritious? F4

Columns

Martin/Michael's farewell to oral menu recitations . 14
Edwards/Victims of corruption need protection 27
Patterson/Old Ebbitt Grill: Suppliers are friends ... 28
Kaplan/Best unit managers recognize job importance 34

Food

Fabricant/Italian fare draws controversy at confab 7
Chelsea Central revamps menu after Times review ... 7
Portoroz celebrates 14 years of Slavic cuisine 7
The Drake's Cafe Suisse rolls asparagus promo 7
Biggs' new chef Walker creates springtime menu 7
Cherry Blossom Festival inspires Jockey Club chef .. 7
What's Hot/Boise, Idaho 7

Marketing

Alva/Chiat/Day back in pizza business with Pizza Inn 11
Big Boy chooses new campaign 11
Taco Bueno turns to Mama Bueno 11
Stuart Anderson's stresses beef 11
NRA marketing group to meet 11
Ad Watch/McGarvey's 11

Financial

Cafeteria chains feel the pinch 89
Financial Digest 89
Stock table 91

Features

F.I.R.S.T. Instructions .. 20
Letters F3
Reporters' Journal ... F4
Flashback F4
Calendar ... F21,F26-F28
People on the Move:
Hotels 70-71
Product News 73,78
Advertiser Index 89

NRN Directory

For your own subscription to Nation's Restaurant News, call toll-free 1 (800) 262-9500

All other business, call (212) 371-9400 and extension:

Newsroom	285
Display advertising	404
Classified advertising	492
Subscription problems	419

Subscription rate: Food-service operators and wholesalers/distributors, one year, $26.50, two years, $44.50. Auxiliary (consultants, architects, designers, manufacturers, suppliers, and schools) and all others, $59.

Nation's Restaurant News (ISSN 0028-0518) is published weekly, every Monday except the last Monday in December, by Lebhar-Friedman Inc., 425 Park Ave., New York, N.Y. 10022. Second-class postage paid at New York, N.Y., and additional mailing offices. POSTMASTER: Send change of address to: Subscription Department, Nation's Restaurant News, 305 Madison Ave. Suite 535, New York, N.Y. 10165-0079.

For change of address, please write Subscription Department, Nation's Restaurants News, 305 Madison Ave. Suite 535, New York, N.Y. 10165-0079. Six weeks' notice is requested. Please send old and new address and zip codes. If possible, include mailing label.

Vol. 22, No. 18 May 2, 1988

NEWS DIGEST

Donald Callender, Ramada embroiled in legal battle

NEWPORT BEACH, Calif. — Donald Callender, founder of 125-unit Marie Callender's Pie Shop restaurants, is suing Ramada Inc., which bought the chain from him two years ago, for $60 million.

Callender alleges he was stripped of his authority as Marie Callender's president and chief executive.

Callender also charges that Ramada breached an agreement to pay a $30,000 monthly leasing fee for his corporate jet.

Ramada and Marie Callender's are countersuing for $29 million, charging that Callender has libeled the company in conversations with Callender's licensees. The countersuit also says Callender encouraged franchisees to sue Ramada and offered to pay for the litigation.

San Francisco BK units add half-pound Big Cheese item

SAN FRANCISCO — Burger King units in the greater metropolitan area here have added a new half-pound hamburger sandwich called The Big Cheese.

The new item replaced the Bullseye Barbecue Burger, which was embraced last year as a short-term promotional product.

The $2.59 Big Cheese consists of two four-ounce Whopper patties topped with three types of cheese (monterey jack, swiss, and American) and a mayonnaiselike dressing. No other garnishes are provided.

Atlanta developers mull new culinary institute

ATLANTA — Plans for a non-profit culinary arts institute are under study by the group that is developing a $500 million office complex in Atlanta's midtown, according to reliable sources.

The so-called Institute for Culinary Arts & Services would operate in a remodeled historic building that is part of the Promenade project, a joint venture including AT&T and Landmarks Group. Landmarks has confirmed only that $3 million in renovation is under way to convert the same five-story building to a private dining club.

McD posts 18% rise in net, 15% increase in revenues

OAK BROOK, Ill. — While many competitors struggled to stem an erosion of profits in early 1988, McDonald's continued to gain ground, raising net income for its first quarter ended March 31 by 18 percent from the prior year, to $125.8 million.

Revenue rose 15 percent, to $1.23 billion, and systemwide sales increased 15 percent, to $3.59 billion.

The company attributed the gains to increased unit sales; the addition of 504 restaurants worldwide, a 5.3-percent increment from the figure for the year-ago period; and the strength of foreign currencies against the dollar. At quarter's end, 2,369 McDonald's were operating outside the United States.

Arby's adds hot-spiced, curly french fries option

ATLANTA — Arby's, the 2,000-unit sandwich chain, has added curled, spicy french fries as an optional menu addition while regular fries remain available. The new fries, which were tested for six months, sell for 79 cents.

Circle K buying 538 units in wake of 7-Eleven deal

PHOENIX, Ariz. — The Circle K convenience-store chain has agreed to buy 538 Charter Food stores in the Southeast and Northeast from Charter Marketing Co. of Jacksonville, Fla.

Meanwhile, Circle K has completed its acquisition of 473 7-Eleven units from Southland Corp. for $147 million, raising Circle K's tally of units to 4,045.

The 7-Eleven units will be converted to Circle K stores featuring a Deli fresh sandwich line, a Circle K spokesman said.

Cardinals' Herzog opens pilot unit in St. Louis

ST. LOUIS — Whitey Herzog, manager of the St. Louis Cardinals baseball team, has opened Whitey's Beer Garden, the first of several dining and entertainment facilities the baseball skipper plans to open in and around Union Station here.

Whitey's Restaurant and The Powerhouse, a nightclub and banquet hall, are expected to be open before the end of this year's baseball season in a new building adjacent to Union Station. The complex will have a sports theme.

The menu will feature seafood, since Herzog is a fisherman, according to Jim Rittenberg, who will manage the operation.

Rittenberg also manages Ditka's/City Lights and owns Jukebox Saturday Night and Faces private nightclub, all based in Chicago.

Owners of NY's Prunelle plan to add second outlet

NEW YORK — Jackie Ruette and Pascal Dirringer, owners of the much-praised Prunelle restaurant here, are planning another fine-dining French restaurant in Manhattan.

L'Origine will bow in the Place des Antiquaires, a new upscale midscale retail shopping arcade on the East Side.

Curtis, Hayes join board of JB's Restaurants

SALT LAKE CITY — Vern Curtis, the former chairman of Denny's, and Carl Hayes, a onetime president of Steak and Ale, have been appointed directors of JB's Restaurants, the Big Boy franchisee here that is pulling out of the system.

The appointments are part of JB's effort to bolster sales and earnings by recruiting outsiders with ample experience in the family restaurant sector.

Tony indies downgrade to up traffic

Frank converting La Toque to less expensive concept

LOS ANGELES — Chef-owner Ken Frank is planning to close his critically acclaimed, high-end La Toque restaurant on Sunset Strip this summer and convert it to a less expensive, more contemporary format with a glassed-in exhibition kitchen.

Frank said the renamed restaurant would get a needed boost in frequency of patronage after per-person tabs decline from $75 to $40. La Toque currently features expensive French-California cuisine and formal decor.

The $1 million revamping will nearly double the 65-seat restaurant's capacity. La Toque has operated under Chapter 11 protection from creditors for two years.

Waxman revamping Jams into lower-priced J.W.

NEW YORK — In an attempt to build traffic, chef Jonathan Waxman, whose Jams restaurant here was one of the first in the city to feature California cuisine, is lowering prices by adopting a limited menu and decreasing portion sizes.

Renamed J.W., the restaurant will feature "comforting and festive" foods, Waxman said. For example, he explained, calf's liver and monk fish will replace guinea hen and spring lamb.

As a result, Waxman said, the average check will drop to $30 from about $40, including liquor. He noted that Jams' traffic has been down by a third from last year's.

Shelly's brings north woods to Minneapolis

By Carolyn Walkup

MINNEAPOLIS — What began as a cooking hobby and respite from the world of high finance has turned into a serious restaurant business with expansion potential for Sheldon Jacobs, younger brother of the infamous investor Irwin Jacobs.

Shelly's Woodroast is entirely the younger Jacobs' brainchild, from the concept to the day-to-day operations. He usually can be found at the restaurant, which he opened last fall after four years of research and planning.

Ironically, his brother also owns a restaurant, Sasha's Deli and Grill, but he hired someone else to operate it. That's not the case with Sheldon, who gave up his previous partnership in the family firm and also had done an earlier stint as jazz artist Al Jarreau's personal manager.

To provide the expertise he lacked in managing a restaurant, Jacobs hired an experienced general manager, John Mallon, formerly of Bennigan's.

The enthusiastic reception his 72-seat restaurant has received indicates that Shelly's Woodroast is much more than a rich man's hobby. The place often does five turns nightly and grosses $30,000 a week, Jacobs said.

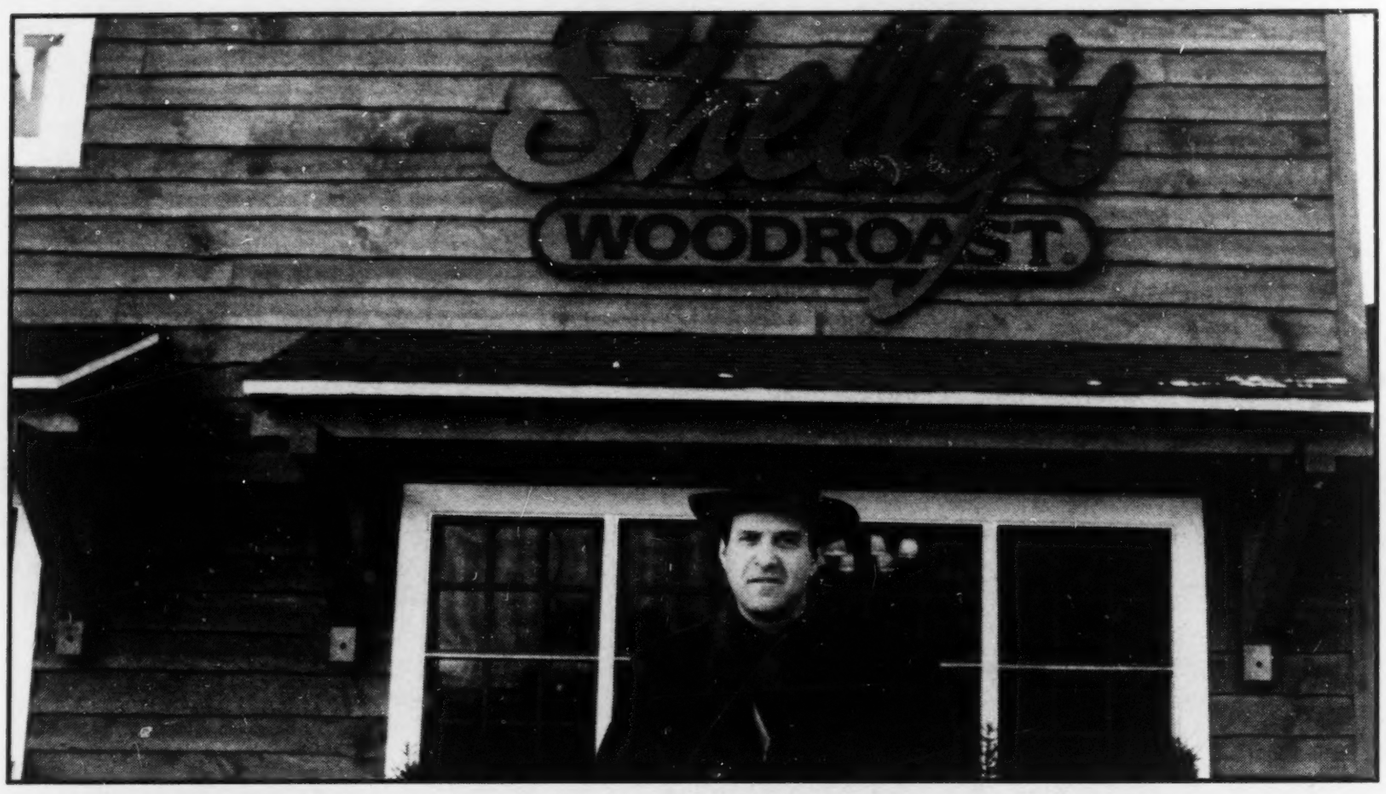
Jacobs developed (and patented) Original Woodroast Cooking, a method of slowly roasting meats, poultry, and fish in special wood-burning ovens he engineered. The raw foods are first marinated in Jacobs' custom-blended marinades from two to five days. While roasting, the meats are continually basted by the ovens' automatic basting system so that they will stay moist.

The woods used for roasting are a secret combination of a fruitwood and two hardwoods. When served, the roasted foods can be seasoned even further with Jacobs' own Woodroast (barbecue) sauce, mustard sauce, and custom-blended spices.

The limited menu of hearty foods is accompanied by a beer and wine list emphasizing microbrewery beers. Jacobs plans to have his own brew pub in his second Woodroast restaurant, featuring the beer of his brewing company, Birch Bay Brewing and Malting Co. The beer list changes seasonally.

Among the food choices are double chicken breast, either as an entrée or a sandwich; whole roasted game hen; five pepper beef brisket; short ribs of beef; salmon or trout; and sausages, also made from Jacobs' recipes. Sandwiches and dinners are served with a tomato and cucumber salad and a choice of roasted or "smashed" potatoes.

Price points range from $1.50 for a sausage to $14.95 for a full rack of spare ribs. Sandwiches are $4.25 to $6.95, and dinners are $6.95 for salmon patties to $9.95 for duckling.



Sheldon Jacobs in front of Shelly's Woodroast in Minneapolis.

Desserts, made by a supplier, are simple, in keeping with the overall casual theme. They include green apple pie, bread pudding, double chocolate cake, baked custard, and ice cream sundaes.

The menu contains "no slow-moving items," said Jacobs, who has not found it necessary to remove anything since opening. All foods are available for take-out, which amounts to about 12 percent of sales.

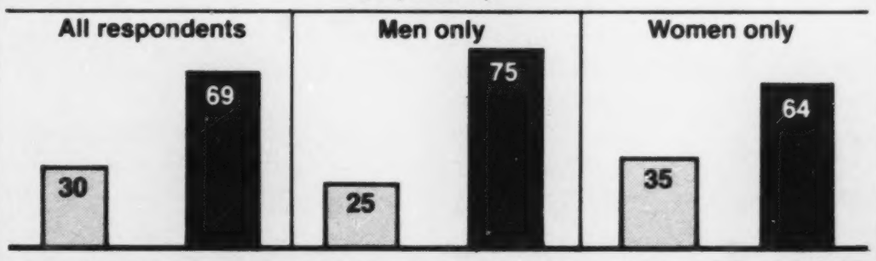
The service style, an unusual combination of self-service ordering and table service delivery, saves the customer about 20 minutes in waiting time, Jacobs claimed. Upon entering the restaurant, customers see a display case of products and a menu board. They give their order to a flannel-shirted order-taker and then choose a table. A server takes beverage orders at the table and brings the food when it's ready, usually in 10 to 15 minutes.

Customers may sit in two non-smoking dining rooms. One has a fieldstone fireplace and a rack of wool lap robes to ward off any chill in the air. The smoking section doubles as the bar.

All rooms feature light pine ceiling beams and accents, heavy wood tables and chairs, and black-and-white wildlife photographs, which also are changed seasonally. Split-log siding with the bark still on covers the exterior walls. Only the surrounding urban street scenes suggest the restaurant's city location.

While Jacobs and partner John Goodman, a real-estate specialist, are receiving numerous requests for franchises and other offers, Jacobs said he is not yet ready for such rapid expansion, although he hopes to grow when the time is right. "I'm really focused on making this place the best it can be. If I do well with that, I will go forward," he said.

DO YOU EVER CHOOSE A RESTAURANT ON THE BASIS OF NUTRITIONAL OR DIETARY CONCERNS?
(In percent)



Note: Numbers may not total 100 due to rounding.
Source: NRN; SRI Research Center, Lincoln, Neb.

CONSUMERS' TOP 10 DIET CONCERNS
(In descending order)

1. Fat
2. Cholesterol
3. Salt
4. Vegetarianism
5. Greasy or fried foods
6. Fresh fruits and vegetables
7. Nutritional value
8. Calories
9. Salads
10. Quality

Source: NRN; SRI Research Center, Lincoln, Neb.

Poll: Nutrition not top priority in deciding where to eat out

By Rick Telberg

NEW YORK — Most Americans don't care about nutritional or dietary issues when they go out to eat at a restaurant, according to an exclusive new Nation's Restaurant News survey.

NRN SRI Poll

Only about one out of three American diners said nutritional or dietary concerns influence where they go to eat out, the poll suggested.

Women restaurant-goers are more concerned about the health aspects of eating out than men are, according to the survey, which was conducted by SRI Research Center Inc. of Lincoln, Neb.

The NRN/SRI Poll showed that restaurant patrons are most worried about fatty, cholesterol-rich, salty, and greasy or fried foods. Vegetarianism and a hunger for fresh fruits and vegetables also play a key role in consumer decisions, the poll indicated.

Of 1,000 consumers polled by telephone, 30 percent answered "yes" to the question "Do you ever choose a restaurant on the basis of nutritional or dietary concerns?"

Thirty-five percent of the women answered "yes," compared with only 25 percent of the men.

Among demographic camps, the 35-to-45-year-old age bracket and the most highly educated group were among those most concerned about dietary and nutritional issues.

Eleven percent of all respondents said fat was their top concern. Another 11 percent said it was cholesterol. Eight percent were most worried about salt. Seven percent cited vegetarianism.

Only 3 percent said food quality was an issue, and only 1 percent worried about freshness.

Fournou's Ovens Americanizes food to capture new crop of high rollers

By Alan Liddle

SAN FRANCISCO — Hoping to attract the new generation of high rollers needed to end a five-year decline in customer counts, Fournou's Ovens in the Stanford Court hotel here has changed chefs and Americanized its Continental menu.

The new food list was created by the award-winning hotel's executive chef of five months, Lawrence Vito, who has held similar posts at The Desert Cafe, a "meatless cuisine" restaurant in Santa Fe, N.M., and at The Morgan Hotel and Green Street Cafe in New York.

Fournou's Ovens has a per-person average of about $50.

The restaurant's new menu, with 20 regular items and a handful of daily specials, is about half the size of the old one. The new menu includes:

- Sweet pepper and tomato soup with corn and toasted cumin ($4.75).
- House-smoked salmon and sour cream on a warm potato pancake with Manchurian Osetra Caviar ($9.50).
- Warm salad of barbecued chicken and foie gras in a smokey apple cider vinaigrette ($9).
- Grilled salmon with bread and butter pickle sauce ($23).

The old menu featured such items as Casoulet of Langoustine ($7.50), Cream of Artichoke with Hazelnut Soup ($4.75), and Piccata of Veal al Limone ($18.95).

The appointment of Vito, who replaced Christian Iser, was part of a major revamping of the hotel's food and beverage

*(See **FOURNOU'S**, page 4)*

Fournou's Ovens
Menu Sampler

"IN"

Spaghetti squash with morel mushrooms, toasted walnuts, cream $7
Vegetable, chicken terrine with fresh basil, tomato sauce $6.50
Local lettuces & bitter greens with extra virgin olive oil and aged sherry vinegar $6
Grilled vegetables with mushroom cakes, tomato jam ... $14
Oak-roasted rack of lamb with corn, pozole custard in an ancho chili and roasted pepper sauce $26
Free-ranging chicken breast with smothered oysters $21

"OUT"

Terrine of fresh duck liver with pistachio $5.50
Little snails in clay pots $6.95
Crab bisque $5.50
Hearts of romaine Roquefort $4.50
Roast duckling with green peppercorn, kumquat sauce $16.95
Little calf sweetbread sauté au buerre noir $16.25
Native sand dabs with lemon-caper sauce $14.95

BEST AVAILABLE COPY

FOCUS | VIEWPOINT

Nation's Restaurant News

is published by
LEBHAR-FRIEDMAN INC.
425 Park Ave., New York, N.Y. 10022
212 371-9400
Subscription Services, ext. 379 or 419
Cable Address: LEBHAFRIED
Panafax: 212 838-9487

Publisher JAMES C. DOHERTY

Editor CHARLES BERNSTEIN

Executive Editor Rick Telberg
Senior Desk Editor
Tracey Taylor Woodard
Special Projects Editors Joe Edwards
Peter J. Romeo
Senior Editors Marilyn Alva
Kenneth Prydman, Rick Van Warner
Associate Editors Karen Bruno,
Bill Carlino
Field Editor Rajan Chaudhry
Bureau Editors Richard Martin (West Coast Chief *Los Angeles*),
Alan Liddle (*San Francisco*),
Carolyn Walkup (Midwest/*Chicago*),
Jack Hayes (*Atlanta*)
Ken Rankin (*Washington*)
Copy Editor Michael Schrader
Desk Editors Jeanne Isenberg,
Peter O. Keegan, Katherine Rabin
Contributing Editors Stephanie Curtis,
Florence Fabricant, Mort Hochstein,
Atid Kaplan, Patt Patterson,
Arthur Schwartz
Editorial Assistant Maryann Brunner
Art Director Milton Berwin
Graphic Artist Alice Fernandes-Brown

National Sales Manager
MARTIN J. FELDMAN
Eastern District Manager
Steven T. Lichtenstein
Eastern Area Managers
Chris Kirkby, Mary Jo Romeo
Advertising Sales Coordinator
Chris Hernandez
Production Manager Janet Eagan
Research Director Anne Frascella
Circulation Director Steve Pippin
Production Director Stan Kaufman
Associate Director Classified
Teresa Loquercio
Classified Advertising Manager
Leslie Wolowitz
Group Publisher C. Reese Musgrave

Founder (1900-1981) Arnold D. Friedman

President J. Roger Friedman
VP/Publication Services Barry Braverman
VP/Planning Harry A. Estes
VP/Finance James Granato
VP/Human Resources Richard D. Groberg
VP/Editorial Director David Q. Mahler
Sr. VP/Group Pub. C. Reese Musgrave
Assistant VP/Circulation Ellis E. Rowland

REGIONAL OFFICES

Atlanta 278 Spring Drive, Roswell, Ga. 30075, 404-993-0978
Boston 1 Gateway Center, Newton, Mass. 02158, 617-527-6394
Regional Manager James H. Malver
Cleveland Summit One Building, 4700 Rockside Road, Independence, OH 44131, 216-642-3420
Office Manager Martha MacVean
Area Manager John Blatnik
Chicago 444 N. Michigan Ave., Chicago, Ill. 60611, 312-644-8688
Regional Manager Edward Nessel
District Manager Gary Knuth
Area Manager John McGuire,
Ed Weisbrod
Los Angeles 606 N. Larchmont Blvd., Los Angeles, Calif. 90004, 213-464-8321
Regional Manager John Donoghue
District Manager David M. Pittman
San Francisco 400 Montgomery St., Suite 1110, San Francisco, Calif. 94104, 415-362-2575
Regional Manager Dick Harrigan
Area Manager Pattikay Lee
Washington 17735 Striley Drive, Ashton, Md. 20861, 301-774-3895
Correspondents Deane Evans,
Nicole Miles
Japan Diamond-Friedman Ltd., Chain Store Age News, Japan 1-4-2 Kasumigaseki, Chiyoda-ku, Tokyo, Japan, 504-6750

ABC MPA ABP

Publisher of Nation's Restaurant News, Discount Store News, National Home Center News, Drug Store News, Accounting Today, Computer&Software News, Computer Product Selling, Chain Store Age Executive (with Shopping Center Age), Chain Store Age General Merchandise Trends, *APPAREL merchandising*, Business Guides Inc., Lebhar-Friedman Books; Inside Retailing (Newsletter); Chain Store Age News, Japan; Largo Music Inc.

Subscriptions

Call (212) 371-9400, ext. 419
Having a problem with your subscription? Send us full details, including the mailing label from the last copy you received, along with your telephone number. We'll do everything possible to solve the problem at once. Write to Circulation Fulfillment Director, Nation's Restaurant News, 305 Madison Ave., Suite 535, New York, N.Y. 10165-0079.

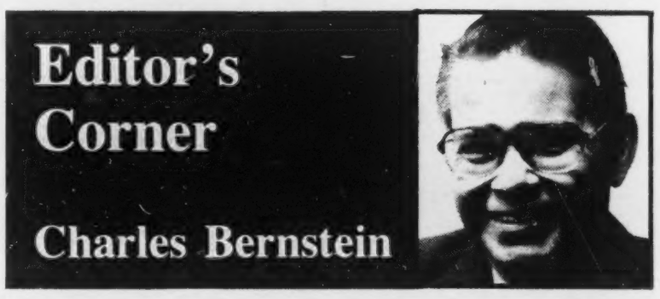
Permissions

Materials in this publication may not be reproduced in any form without written permission. Requests for permission should be directed to Nation's Restaurant News, publisher, Lebhar-Friedman Inc., 425 Park Ave., New York, N.Y. 10022.

Anathema: long hair, earrings, 'no bras'

Few pictures in journalistic history have inspired more protests than the ones in Nation's Restaurant News, March 7, showing long-haired chef-owner Richard Krause in his kitchen at New York's Melrose restaurant.

Nobody objected to the in-depth Focus feature on Krause's kitchen, appropriately titled "A Walk through the Wild Side."



The article gave readers inside perspective on how Krause operates his kitchen and emphasized that customers are encouraged to walk through the kitchen during dinner.

However, the chef's long hair was criticized as being undignified, unsanitary, and unsafe.

"The cook's hair is long and against all health practices, and the other staff member's hair pictured is not in a net," remarked a chain operator from the state of Washington. He called the pictures "disgusting."

A sanitarian from Indiana wrote that photos showing Krause "handling and preparing food with hair in dire need of restraint do not promote a major point we battle long and hard with food-service operators, that traffic of unnecessary persons through food-preparation and utensil-washing areas is prohibited." He questioned how the New York City Health Department could have permitted such conditions.

Among the many other protests—some of which will be printed in detail in an upcoming issue of Nation's Restaurant News—was one from a Georgia owner-chef expressing disbelief that "perhaps New York customers don't mind a hair or two in their meals" and asserting the No. 1 rule has to be that "all employees keep their hair tied back." He said guests are invited into his kitchen "at any time, with great pride by myself and our staff."

What is our reaction to all this? Simply that while Krause may indeed operate a wonderful restaurant and kitchen in many respects, dignity and sanitation standards must be observed in the kitchen as well as throughout the restaurant.

Let's not pick on Krause, since so many employees in so many restaurants are into long hair and beards that it boggles the mind. Even in the Magic Kingdom employees apparently now parade around in beards despite a ban on facial hair, and six Disneyland Hotel workers were recently suspended for refusing to shave as unions threatened a strike over the facial-hair ban.

We are in favor of individuality as a reasonable personal expression of views shown in wearing varied outfits—but only up to a point. That point is passed when long hair and beards almost become the norm at certain restaurants.

That point is also long passed when waiters flaunt earrings. Or, to keep this discussion equal, when braless waitresses become commonplace.

No doubt many of these personal styles and modes of sloppy attire are a way of emphasizing that "I'm my own person" and "I'm a non-conformist." Nothing is wrong with that on a personal level, but it can and does work to the detriment of any restaurant, much less a fine dining place.

How many customers mind these things? No scientific survey has been conducted, but we would bet that as much as one-third of the clientele of a restaurant might vehemently object (by perhaps not returning to the place), and another one-third might feel just a bit uneasy.

Why take a chance and allow a breakdown of discipline on the part of one's employees and a reaction of spoken or unspoken criticism on the part of customers? We believe such personal styles are going too far in freedom of choice and must be curbed because they are harmful to business and, in some cases, pose safety and sanitation hazards.

There is nothing so terrible about wearing a shirt and tie and being well-groomed. We seriously doubt that very many customers object to employees who present themselves with pride, respectability, and dignity.

Indeed, when employees are required to look sharp, feel sharp, and be sharp, their entire performance tends to improve as they stand tall rather than look sloppy. Yes, some workers will resent such regulations, but they might not be suited for the job anyway.

We know presidents of chains who maintain that beards and long hair are acceptable at headquarters to promote individuality. But the same rules that are right for restaurants must apply to headquarters. We suggest a conservative approach in these matters to set the proper example and to avoid hypocrisy.

When we talk about creating a more favorable image of the food-service industry for young people considering it as a career, let's start with discipline and decorum, including good grooming.

Some may call this square, but we call it practical and meaningful.

LETTERS

The death of franchises was greatly exaggerated

Editor, NRN:

To make grandiose assumptions is human; to believe them is unprofessional. In the Feb. 1 issue of Nation's Restaurant News, Atid Kaplan presents a view of "gloom and doom" relative to franchising in the hospitality sector—based on four major misguided assumptions. Where Kaplan obtains his information is not indicated, but the information does not "square" with the facts.

He indicates that "franchisors are acquiring franchisees as operations come on the market" and sees that action as a symptom of franchisors dropping out of franchising. What Kaplan doesn't understand is that the franchising company is a natural buyer for franchisees desiring to sell. Many franchisors buy back operations to obtain undeveloped territories that were offered to franchisees in the early stages of the franchisor's development.

They also buy back to acquire real estate, to bring in competent franchisees as company management, and to pool earnings in order to satisfy demanding shareholders. Our tax structure favors reacquiring franchises for stock, and most of the buy-backs are temporary, intended to be resold to prospective franchisees at a later date.

Kaplan said that "new franchises are hard to obtain while present multi-unit franchisees grow." Can't Kaplan see that happy and successful franchisees would want to open additional operations and that franchisors would be delighted to sell to a known entity?

However, with several hundred fast-food franchisors in the marketplace, opportunities for new franchisees abound, and it is the rare franchisor that is not looking for new franchisees.

The third point Kaplan makes is that, in his opinion, there is a "tendency for franchisees to become more militant and demanding." There isn't any information that would support such a claim. If anything, franchisors are improving their sensitivity and responsiveness to franchisee concerns and problems, and many go to great lengths to resolve any disputes amicably. The increasing utilization of franchisee advisory councils to improve communications and resolve problems has had a positive effect on franchisee relations.

Further evidence of a generally solid relationship between franchisors and franchisees is that, according to the U.S. Department of Commerce in Franchising in the Economy 1985-1987, its annual survey of franchisors, "in 1985, 91 percent of all franchisee-owned units up for renewal were renewed, with the nine-year average also standing at 91 percent."

And, lastly, Kaplan talks about "increasing government regulations, manadatory renewals, greater disclosure requirements, and increasing liabilities for franchisee's mistakes" causing the demise of the franchising concept. Nothing is further from the truth. Since the passage of the FTC disclosure requirements in 1979, only one additional state (New York) requires registration, and only one registration state (California) has seen fit to further regulate the relationship. Michigan no longer requires registration and Illinois has streamlined its requirements. Very few states mandate renewals, and all of these permit termination for a good cause. Earnings claims requirements under the UFOC have been amended in seven registration states to permit a more liberal approach in interpretation. And vicarious liability of the franchisor for the acts of the franchisee have not shown any increasing trend and have been a concern primarily of academic interest.

Franchising is evidently alive and well in the hospitality sector. In fact, according to the U.S. Department of Commerce, "the net gain of companies converting to franchising jumped dramatically to almost 8 percent, the highest percentage increase for the last five years."

—Kenneth Franklin
president
Franchise Developments Inc.
Pittsburgh